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WESTERFIELD, R. B. *Banking Principles and Practice*. Pp. xxxii, 1970. In five volumes, not sold separately. Price, \$12.00. New York: The Ronald Press Co., 1921.

Most books on banking may be divided into two classes, the first consisting of those which present the theoretical principles of money and banking and the history of banking and currency in the United States prior to the passage of the Federal Reserve Act. Chapters on the chief foreign banking systems are often included because of their bearing on the question of banking reform in the United States. To the business man books of this type have seemed to overemphasize the theoretical and historical aspects of the subject; they have failed to answer for him many practical questions concerning his own relations with the financial organization. The second type has gone to the opposite extreme, and by placing chief emphasis on the practical details of bank operations and accounting, has almost entirely ignored the provision of a background. Books of this type fail to show that our modern banking system is the product of evolution, and that it performs valuable economic services. These five volumes by Professor Westerfield embody an attempt to combine the theoretical with the practical approach in "a comprehensive description of the banking system of the United States," a task impossible to accomplish within the limits of a single volume.

The author aims "to present so much of the historical and genetical background of institutions and practices as will give them a true setting and explain their fundamental nature," and to achieve "an intimate correlation of banking theory and banking practice, giving in the first volume the underlying theory of money, credit, and banking as a prerequisite to an effective presentation in the remaining volumes of the organization and practice of the system as a whole, and of the individual member of that system, and indicating at every opportunity in the treatment of the internal and external operations of a bank the theory underlying the practice." These aims are successfully realized on the whole, though it

should be said that many more chapters are devoted to description than to analytical discussion of the economic issues involved in the evolution and present tendencies of our banking system.

The presentation of the theoretical principles of money and banking conforms closely to the traditional treatment, with due recognition, however, of recent criticism of some of the tenets of the older writers on this subject. There are many controverted issues, for instance, the value of government guaranty of bank deposits, upon which the author expresses no definite opinion, contenting himself with a statement of the question and the chief arguments pro and con. At the present time of experiment and change in financial organization, dogmatic assertions are admittedly unjustified and dangerous, but the writer feels that Professor Westerfield has let slip opportunities to educate public opinion by his failure to make definite recommendations in regard to many unsettled problems. For example, the vital question of the discount policy of the Federal Reserve Board is treated so briefly that the reader is not impressed with its direct bearing upon the material well-being of the country.

The second volume is chiefly concerned with the Federal Reserve System, and the remedies it applies to the defects of our old banking structure. The third and fourth volumes describe minutely the internal organization of a bank, and the routine work of the various departments. In the fifth volume there is a complete account of the "foreign division" of a bank and a concentrated treatment of the elements of foreign exchange. In view of our newly awakened national interest in foreign trade and the general ignorance of business men regarding the methods of financing imports and exports, this timely volume fills a real need.

The value of this work to the economist does not lie in any original contributions to the body of accepted theory, or in any new analysis of current problems, but in the immense store of information here gathered together and systematically arranged, which will be as useful to him as to the business man, to whom the appeal of the book

is primarily directed. For the latter this is both a reference work and a treatise on banking, with enough sound theory to provide that background usually lacking in "practical" books.

It should be noted, in conclusion, that many illuminating charts and graphs are scattered through the volumes, and that much valuable statistical material is incorporated in the text. Reference to any particular topic is made easy by a table of contents and index for each volume in addition to the general index.

MORGAN B. CUSHING.

NICHOLSON, J. SHIELD. *The Revival of Marxism*. Pp. 145. Price, \$2.25. New York: E. P. Dutton and Company, 1921.

Revival of socialistic discussion during and since the War has very naturally and properly brought with it a considerable amount of literature on the subject. Two of the most interesting and valuable have been Loria's *Karl Marx* and Nicholson's *The Revival of Marxism*.

Professor Nicholson, after an introductory chapter entitled "Causes of the Revival" utilizes the recent bitter controversy between Nikolai Lenin and Karl Kantsky as a starting point, contrasting the views of these two disciples of Marx. The conservatism of the author inclines him, of course, to the views of Kantsky.

This does not mean, however, any sympathy with socialistic theories, for the bulk of the volume is devoted to a criticism of one after another of the leading Marxian theories—the nature of the proletariat, the State, the two phases of communism, theories of value, profits, wages, etc. The attack on the various theories is well stated, clear and effective. To those familiar with the subject there are no new ideas presented, but this was of course not intended. A conveniently arranged and concisely stated summary of the weaknesses of socialist theory is a valuable addition to the literature of the subject.

One could wish, however, that the subject had been approached a little differently. It is very doubtful if there is anything to be feared from any general acceptance of the orthodox Marxian views. If

socialism today is a movement of any significance, it is not because of an unqualified belief in Marx. The leaders of the movement have qualified his doctrine in many ways, and, what is more important, their effectiveness lies largely in their denunciation of capitalistic weaknesses and in their picture of a better organization for the future.

What is greatly needed is a volume that will effectively picture, first, the fact that so-called capitalism is itself a rapidly changing form of organization, and second, show us what promises, if any, the conservatives can give us of a considerable and rapid improvement in our economic welfare. It is the failure of capitalism to picture and enthusiastically work for a better order that gives strength to many of the attacks against it.

ERNEST M. PATTERSON.

FRIEDMAN, ELISHA M. *International Finance and Its Reorganization*. Pp. xli, 703. Price, \$7.00. New York: E. P. Dutton and Company, 1922.

This is the fifth of a valuable series of volumes by the same editor. One of their merits is that the selections used are not presented in a disjointed manner, but are well woven together and thus made much more valuable for private reading and for class use by teachers.

The ground covered is a wide and complex one, but is divided into two main parts: (A) The Effects of the War and (B) Factors in the Financial Reorganization. A little arbitrariness in arrangement can well be ignored under the circumstances. The editor's decision not to include the experiences of too many countries, but to limit himself to the best known and (to us) most important—England, France and Germany—is to be commended.

Two other features are to be noted. One is the discussion in the second section, which is on "reorganization," of a series of topics that combine well both current interest and long-run value. This is particularly difficult in a volume that is of immediate importance, for many topics of great interest today will of course be forgotten in a few years. Capital levies, national bankruptcies, cancellation of debts, the